



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE

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TREASURER ANNOUNCES SCHEDULE FOR ENERGY BOND SALE

SACRAMENTO, CA – California State Treasurer Phil Angelides, with the State's Director of the Department of Finance, Tim Gage, today announced the anticipated schedule for the sale of the Department of Water Resources Power Supply Revenue Bonds (energy bonds).

Please see the attached for details.

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This document is intended to provide general information about the Department of Water Resources Power Supply Revenue Bond Program as of September 27, 2002. This document does not constitute an offer to sell or a solicitation of an offer to buy any bonds. The bonds may only be offered by means of an official statement.

\$11,950,000,000*
State of California Department of Water Resources
Power Supply Revenue Bonds

INVESTOR UPDATE - SEPTEMBER 27, 2002

Ratings

Long-term ratings for the bonds have been issued as follows:

Moody's	A3
Standard & Poor's	BBB+
Fitch Ratings	A-

Anticipated Schedule*

Mailing of Tax-Exempt Fixed Rate POS ¹	October 1 – 3
Kickoff Investor Conference Call	October 3
Mailing of Variable Rate POS	Week of October 7 – 11
Mailing of Taxable Fixed Rate POS	Week of October 7 – 11
Variable Rate Pricing	Week of October 21 – 25
Variable Rate Closing	Week of October 28 – November 1
Tax-Exempt Fixed Rate Pricing	Week of November 4 – 8
Taxable Fixed Rate Pricing	Week of November 4 – 8
Fixed Rate Closing	Week of November 11 – 15

Transaction Overview

Size and Structure. The bond issue is expected to be approximately \$11.95 billion* and will consist of both tax-exempt and taxable series of bonds that will be sold in fixed and variable rate modes. Portions of the bonds will be sold with bond insurance or bank credit enhancement.

Purpose. Bond proceeds will repay outstanding loans from commercial banks in the amount of approximately \$3.5 billion, and second, will repay outstanding loans from the State's General Fund in the amount of approximately \$6.5 billion. The balance of proceeds will be used to fund operating and debt service reserves, and costs of issuance.

Repayment. The primary source of payment for the bonds will be charges to be imposed by the California Public Utilities Commission upon customers in the service areas of California's three largest investor-owned utilities.

Additional Information

Preliminary Official Statements, when available, may be obtained at <http://www.treasurer.ca.gov>.

* Preliminary. The anticipated schedule and the size of the bond transaction is subject to change without prior notice.

¹ "POS" means Preliminary Official Statement.